

**TRUE NORTH CLASSICAL ACADEMY SOUTH**  
MIAMI, FLORIDA  
(A CHARTER SCHOOL UNDER TRUE NORTH  
CLASSICAL ACADEMY, INC.)

**BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION**

JUNE 30, 2021

**TRUE NORTH CLASSICAL ACADEMY SOUTH**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2021**

**TABLE OF CONTENTS**

	PAGES
General Information.....	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report.....	2-3
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	4-8
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	9
Statement of Activities.....	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	14
<i>Notes to Basic Financial Statements</i> .....	15-22
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual – General Fund.....	23
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual – Special Revenue Fund.....	24
<i>Notes to Required Supplemental Information</i> .....	25
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	26-27
Management Letter.....	28-29

**TRUE NORTH CLASSICAL ACADEMY SOUTH**  
(A Charter School Under True North Classical Academy, Inc.)

7900 SW 86<sup>th</sup> Street  
Miami, FL 33143  
(305)487-8884

**2020-2021**

**BOARD OF DIRECTORS**

Mr. Luis E. Diaz, Chair  
Mr. Rudy Pages, Secretary  
Mr. Ernesto Rodriguez, Jr, Member  
Mr. Kent (Pete) Windhorst, Member

**SCHOOL ADMINISTRATION**

Ms. Jeanine Finlay, Headmaster



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
True North Classical Academy South  
Miami, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of True North Classical Academy South (the "School"), a charter school under True North Classical Academy, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of True North Classical Academy South as of June 30, 2021, and the respective changes in financial position for the year ended, and it is not intended to be a complete presentation of True North Classical Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of True North Classical Academy, Inc. as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 8 and budgetary comparison information on pages 23 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021, on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2021

**Management's Discussion and Analysis**  
True North Classical Academy South  
June 30, 2021

The corporate officers of True North Classical Academy South (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2021, the third full year of operations.

**FINANCIAL HIGHLIGHTS**

1. During its second year of operations, the School had an increase in its net position of \$469,626 for the year ended June 30, 2021.
2. At year-end, the School had current assets of \$958,032.
3. The School's fund balance increased by \$525,511 and had a combined fund balance of \$645,304 at June 30, 2021.

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 – 10 of this report.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

**Management's Discussion and Analysis**  
 True North Classical Academy South  
 June 30, 2021

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

*Notes to Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 15 - 22 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2021 and 2020 follows:

	<b>Assets</b>	2021	2020
Cash		\$ 864,871	\$ 355,491
Due from other agencies		80,091	409,717
Prepaid expenses		13,070	8,428
Capital assets, net		244,673	224,241
Total Assets		\$ 1,202,705	\$ 997,877
<b>Liabilities and Net Position</b>			
Accounts and wages payable and accrued liabilities		\$ 114,456	\$ 288,429
Loan payable		203,687	127,370
Advanced grants		153,975	345,000
Due to related parties		44,297	20,414
Total Liabilities		516,415	781,213
Net investment in capital assets		168,328	96,871
Restricted		8,029	-
Unrestricted		509,933	119,793
Total Net Position		686,290	216,664
Total Liabilities and Net Position		\$ 1,202,705	\$ 997,877

At June 30, 2021, the School's total assets were \$1,202,705 and total liabilities were \$516,415. At June 30, 2021, the School reported total net position of \$686,290. This was the School's third year of operations.

**Management's Discussion and Analysis**  
 True North Classical Academy South  
 June 30, 2021

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 follows:

<b>REVENUES</b>	<u>2021</u>	<u>2020</u>
Program Revenues		
Federal grants	\$ 475,357	\$ 413,887
Capital outlay funding	88,154	73,136
Charges for services and other grants	59,595	15,407
General Revenues		
FEFP nonspecific revenue	1,375,787	1,202,482
Fundraising and other revenue	20,081	6,657
Total Revenues	<u>2,018,974</u>	<u>1,711,569</u>
<b>EXPENSES</b>		
Instruction	910,227	838,842
Board	1,067	17,910
General administration	65,584	60,313
School administration	178,537	292,503
Fiscal services	27,963	19,957
Food services	33,792	20,299
Pupil transportation services	-	809
Operation of plant	280,010	247,815
Administrative technical services	16,542	1,940
Community services	28,860	-
Interest expense	6,766	9,094
Total Expenses	<u>1,549,348</u>	<u>1,509,482</u>
Change in Net Position	469,626	202,087
<b>Net Position at Beginning of Year</b>	<u>216,664</u>	<u>14,577</u>
<b>Net Position at End of Year</b>	<u>\$ 686,290</u>	<u>\$ 216,664</u>

The School's total revenues for the year ended June 30, 2021 were \$2,018,974 while its total expenses were \$1,549,348 for a net increase of \$469,626. This was the School's third full year of operations. The School's enrollment increased from 145 to 170 students.



**Management’s Discussion and Analysis**  
True North Classical Academy South  
June 30, 2021

**ACCOMPLISHMENTS**

True North has emerged in short period of time as one of the sought after schools in Florida. In our first year of testing on Florida Standards Assessment, True North students scored amongst the highest in Florida and will receive a strong A grade. True North was fulfilled its core mission of being a classical liberal arts school dedicated to creating a place that holds excellence in moral and intellectual virtue as the true aim of education. This mission was most palpable in the school culture, which instilled within its students a joy of learning for learning’s sake and a love of education. Parents were exceptionally appreciative of the moral and joyful environment and this was reflected a 97% student retention rate for the next school year. Year-end parental surveys showed 99% of parents rated the school an A or B on the question of “my child enjoys attending True North”, “and “True North positively shaped their children’s character”.

**SCHOOL LOCATION**

The School operates in the Miami area located at 7900 SW 86<sup>th</sup> Street, Miami, FL 33143.

**CAPITAL IMPROVEMENT REQUIREMENT**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**GOVERNMENTAL FUNDS**

The focus of the School’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School’s governmental funds had an increase in fund balance of \$525,511 and reported a combined fund balance of \$645,304 in its third full year of operations.

**CAPITAL ASSETS**

The School’s investment in capital assets, as of June 30, 2021, amounts to \$244,673 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements and furniture, fixtures and equipment.

**LOANS PAYABLE**

The School entered into a note payable with Building Hope, a Charter School Facilities Fund, for the amount of \$189,294. The note bears interest at six percent (6%) per year and has a maturity date of January 1, 2023. The School made principal payments of \$51,024 and the outstanding balance at June 30, 2021 was \$76,345. The balance outstanding as of June 30, 2021 was \$76,345.

**Management's Discussion and Analysis**  
 True North Classical Academy South  
 June 30, 2021

**LOANS PAYABLE (Continued)**

The School, through a related party True North Classical Academy, Inc., was allocated loan proceeds of \$127,342 through the Paycheck Protection Program ("PPP"). The loan proceeds are to be used for payroll, rent, utilities, and interest expense during a specified period in order to qualify for forgiveness. The loan matures in April 2022 and bears annual interest at 1%. The loan and accrued interest are forgivable in whole or in part if used for the qualifying purposes noted above.

**GOVERNMENTAL FUND BUDGET ANALYSIS**

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,371,983	\$ 1,371,983	\$ 1,375,787
State capital outly funding	82,620	82,620	88,154
Federal grants	47,369	47,369	284,332
Charges for services	74,813	74,813	59,595
Grants, fundraising and other income	197,800	197,800	211,106
TOTAL REVENUES	<u>1,774,585</u>	<u>1,774,585</u>	<u>2,018,974</u>
<b>EXPENDITURES</b>			
Instruction	586,442	586,442	892,581
Board	1,558	1,558	1,067
General administration	-	-	65,584
School administration	163,304	163,304	178,537
Fiscal services	92,143	92,143	27,963
Food services	19,217	19,217	33,792
Operation of plant	278,641	278,641	273,734
Administrative technical services	14,880	14,880	16,542
Community services	49,450	49,450	28,860
Other capital outlay	-	-	44,355
Debt service	6,364	6,364	57,790
TOTAL EXPENDITURES	<u>1,211,999</u>	<u>1,211,999</u>	<u>1,620,805</u>
Change in fund balance	<u>\$ 562,586</u>	<u>\$ 562,586</u>	<u>\$ 398,169</u>
Other financing sources	<u>-</u>	<u>-</u>	<u>127,342</u>
Net change in fund balance	<u>\$ 562,586</u>	<u>\$ 562,586</u>	<u>\$ 525,511</u>

**REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Luis Diaz located at 4627 Ponce de Leon Blvd., Coral Gables, FL 33146.

**TRUE NORTH CLASSICAL ACADEMY SOUTH**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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Governmental  
Activities

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**ASSETS**

CURRENT ASSETS

Cash and cash equivalents	\$ 864,871
Due from other agencies	80,091
Prepaid expenses	13,070
TOTAL CURRENT ASSETS	958,032

CAPITAL ASSETS

Improvements other than buildings	189,295
Less accumulated depreciation	(16,434)
Furniture and equipment	104,639
Less accumulated depreciation	(32,827)
Total capital assets, net	244,673

TOTAL ASSETS	\$ 1,202,705
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**LIABILITIES AND NET POSITION**

LIABILITIES

Accounts payable and accrued liabilities	\$ 10,352
Accrued wages payable	104,104
Advanced grants	153,975
Due to related parties	44,297
Loans payable - current portion	173,179
TOTAL CURRENT LIABILITIES	485,907

Loans payable - long-term portion	30,508
TOTAL LIABILITIES	516,415

NET POSITION

Invested in capital assets, net of related debt	168,328
Restricted	8,029
Unrestricted	509,933
TOTAL NET POSITION	686,290

TOTAL LIABILITIES AND NET POSITION	\$ 1,202,705
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 910,227	\$ -	\$ 292,597	\$ -	\$ (617,630)
Board	1,067	-	-	-	(1,067)
General administration	65,584	-	-	-	(65,584)
School administration	178,537	-	-	-	(178,537)
Fiscal services	27,963	-	-	-	(27,963)
Food services	33,792	20,274	5,595	-	(7,923)
Operation of plant	280,010	-	177,165	88,154	(14,691)
Administrative technical services	16,542	-	-	-	(16,542)
Community services	28,860	39,321	-	-	10,461
Interest expense	6,766	-	-	-	(6,766)
<b>Total Governmental Activities</b>	<b>\$ 1,549,348</b>	<b>\$ 59,595</b>	<b>\$ 475,357</b>	<b>\$ 88,154</b>	<b>\$ (926,242)</b>

GENERAL REVENUES:

Government grants not restricted to specific programs	1,375,787
Fundraising and other revenue	20,081
Total general revenues	<u>1,395,868</u>

Change in Net Position 469,626

NET POSITION - BEGINNING 216,664

NET POSITION - ENDING \$ 686,290

The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 856,842	\$ 8,029	\$ 864,871
Due from other agencies	80,091	-	80,091
Prepaid expenses	13,070	-	13,070
<b>TOTAL ASSETS</b>	<u>950,003</u>	<u>\$ 8,029</u>	<u>\$ 958,032</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 10,352	\$ -	\$ 10,352
Accrued wages payable	104,104	-	104,104
Advanced grants	153,975	-	153,975
Due to related parties	44,297	-	44,297
<b>TOTAL LIABILITIES</b>	<u>312,728</u>	<u>-</u>	<u>312,728</u>
<b>FUND BALANCE</b>			
Nonspendable	13,070	-	13,070
Restricted	-	8,029	8,029
Unassigned	624,205	-	624,205
<b>TOTAL FUND BALANCE</b>	<u>\$ 637,275</u>	<u>\$ 8,029</u>	<u>\$ 645,304</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 950,003</u>	<u>\$ 8,029</u>	<u>\$ 958,032</u>

The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
JUNE 30, 2021**

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Total Fund Balance - Governmental Funds \$ 645,304

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Capital assets	293,934
Accumulated depreciation	(49,261)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Loans payable	(203,687)
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Total Net Position - Governmental Activities	\$ 686,290
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY SOUTH**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	General Funds	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
State passed through local	\$ 1,375,787	\$ -	\$ -	\$ 1,375,787
State capital outly funding	-	-	88,154	88,154
Federal grants	-	284,332	-	284,332
Charges for services	39,321	20,274	-	59,595
Grants, fundraising and other income	20,081	191,025	-	211,106
<b>TOTAL REVENUES</b>	<b>1,435,189</b>	<b>495,631</b>	<b>88,154</b>	<b>2,018,974</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	480,671	411,910	-	892,581
Board	1,067	-	-	1,067
General administration	65,584	-	-	65,584
School administration	178,537	-	-	178,537
Fiscal services	27,963	-	-	27,963
Food services	7,923	25,869	-	33,792
Operation of plant	8,415	177,165	88,154	273,734
Administrative technical services	16,542	-	-	16,542
Community services	28,860	-	-	28,860
<b>Capital Outlay:</b>				
Other capital outlay	44,355	-	-	44,355
<b>Debt Service:</b>				
Redemption of principal	51,024	-	-	51,024
Interest	6,766	-	-	6,766
<b>TOTAL EXPENDITURES</b>	<b>917,707</b>	<b>614,944</b>	<b>88,154</b>	<b>1,620,805</b>
Excess of revenues over expenditures	517,482	(119,313)	-	398,169
<b>OTHER FINANCING SOURCES</b>				
Proceeds from long-term financing	-	127,342	-	127,342
Total other financing sources	-	127,342	-	127,342
<b>NET CHANGE IN FUND BALANCE</b>	<b>517,482</b>	<b>8,029</b>	<b>-</b>	<b>525,511</b>
Fund balance at beginning of year	119,793	-	-	119,793
Fund balance at end of year	<u>\$ 637,275</u>	<u>\$ 8,029</u>	<u>\$ -</u>	<u>\$ 645,304</u>

The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2021**

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Change in Fund Balance - Governmental Funds \$ 525,511

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	44,355
Depreciation expense	(23,922)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Proceeds from debt issuance	(127,342)
Redemption of principal	51,024

Change in Net Position of Governmental Activities	\$ 469,626
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The accompanying notes are an integral part of this financial statement.



**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

True North Classical Academy South, (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). The School’s charter is held by True North Classical Academy, Inc. (the “Organization”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors, which is comprised of four members.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of the Organization as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2023. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 5 years by mutual agreement.

These financial statements are for the year ended June 30, 2021, when approximately 170 students were enrolled in grades K – 5.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Major individual governmental funds, namely, the general, special revenue, and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of True North Classical Academy South, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the board.

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 per unit on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	7 Years
Leasehold improvements	5 Years

Compensated Absences

All full-time employees are eligible for paid time off (PTO). Temporary and part-time employees are not eligible. PTO accumulates in relationship to all regular hours actually worked. Salaried employees will be granted PTO within the contract/agreement with the organization. If an employee uses all PTO allotted to them, any additional sick days will be without pay.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters, such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Advanced grants

Grants received in advance of meeting eligibility requirements are reported as advanced grants.

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- ... Net investment in capital assets – consists of the historical capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2021, was \$168,328.
- ... Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2021 was \$8,029, which represents the unspent portion of the Paycheck Protection Plan loan as of year-end.
- ... Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2021, the nonspendable fund balance was \$13,070.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2021, there restricted fund balance was \$8,029, which represents the unspent portion of the Paycheck Protection Plan loan as of year-end.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2021, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2021, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, Non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2021, there are no minimum fund balance requirements for any of the School’s funds.

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made for the School in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 15, 2021, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets				
Improvements other than building	\$ 189,295	\$ -	\$ -	\$ 189,295
Furniture and equipment	60,284	44,355	-	104,639
Total Capital Assets	249,579	44,355	-	293,934
Less Accumulated Depreciation				
Improvements other than building	(10,158)	(6,276)	-	(16,434)
Furniture and equipment	(15,180)	(17,647)	-	(32,827)
Total Accumulated Depreciation	(25,338)	(23,923)	-	(49,261)
Capital Assets, net	\$ 224,241	\$ 20,432	\$ -	\$ 244,673

Depreciation expense for the year ended June 30, 2021, was \$23,923, of which \$6,276 was allocated to operation of plant and \$17,647 was allocated to instruction.

NOTE 4 – DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds mainly consist of amounts due from the Florida Department of Education for Charter School Growth Funding under the Governor’s Emergency Education Relief Fund (“GEER”) and capital outlay funding. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is recorded.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

True North Classical Academy, Inc. entered into an agreement to lease School facilities through July 2050. The School’s required monthly rent payments were \$11,811, which is the monthly base rent, during the year ended June 30, 2021. The School is also required to pay a monthly insurance premium amount of \$1,259 to the lessor. In addition, the Organization will construct improvements to the property as defined in the lease. Upon the completion of the construction and occupancy, the required monthly minimum rent payments will equal \$20,360. The minimum rent shall increase by 2% per annum each year. For the year ended June 30, 2021, the amount paid by the School for the use of the facilities and services was \$156,840.

Estimated future minimum lease payments include the additional premises and are as follows:

<u>Years Ended June 30,</u>	
2022	\$ 248,799
2023	253,775
2024	258,851
2025	264,028
2026	269,308
2027 - 2031	1,429,521
2032 - 2036	1,578,306
2037 - 2041	1,742,578
2042 - 2046	1,931,958
2047 - 2051	1,754,676
Total	<u>\$ 9,731,800</u>

**NOTE 6 –LOAN PAYABLE**

The School entered into a note payable with Building Hope, a Charter School Facilities Fund, for the amount of \$189,294. The note bears interest at six percent (6%) per year and has a maturity date of January 1, 2023. The School made principal payments of \$51,024 and the outstanding balance at June 30, 2021 was \$76,345.

The School, through the Organization, was allocated loan proceeds of \$127,342 through the Paycheck Protection Program. The loan, which was in the form of a note matures in April 2022 and bears an interest rate of 1% per annum. Proceeds are to be used for payroll, rent, utilities, and interest expense. The loan and accrued interest are forgivable in whole or in part if used for the qualifying purposes noted above. Subsequent to year-end, the Organization applied for forgiveness for a portion of the loan and is awaiting notification of forgiveness as of the date of these financial statements. Accordingly, any forgiveness of the School’s portion of the loan will be recorded as a gain in the statement of activities in the fiscal year end June 30, 2022. The loan proceeds received during the year of \$127,342 are recorded as other financing sources on the statement of changes in revenue, expenditures and fund balance during the year ended June 30, 2021.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 6 –LOANS PAYABLE (Continued)

	Balance at July 1, 2020	Additions	Repayments	Balance at June 30, 2021
Loan payable - Building Hope	\$ 127,369	\$ -	\$ (51,024)	\$ 76,345
Loan payable - Paycheck protection program	-	127,342	-	127,342
	<u>\$ 127,369</u>	<u>\$ 127,342</u>	<u>\$ (51,024)</u>	<u>\$ 203,687</u>

Estimated future payments are as follows:

<u>Years Ended June 30,</u>	
2022	\$ 173,179
2023	26,085
2024	4,423
	<u>\$ 203,687</u>

NOTE 7 –TRANSACTIONS WITH RELATED PARTIES

The Organization operates two other charter schools, True North Classical Academy and True North Classical Academy High School. Through the Board, management allocates a proportionate share of certain expenses based on student enrollment, included but not limited to school administration and instruction. The Organization and its other charter schools may also advance and repay amounts to the School and vice versa.

Amounts due to related parties at June 30, 2021 are as follows:

True North Classical Academy	\$ 17,779
True North Classical Academy, Inc.	10,000
True North Classical Academy High School	16,518
Total due to related parties	<u>\$ 44,297</u>

NOTE 8 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in major banks and in high-grade investments. As of June 30, 2021, the bank balance of the School's operating cash deposit accounts was \$864,871. The School is a charter school under the Organization, which also operates other schools. All bank accounts are opened under the account ownership of the Organization. Therefore, bank balances at times may potentially be in excess of Federal Depository Insurance Corporation (FDIC) limit of \$250,000. As of June 30, 2021, the School's bank balance in potential excess of FDIC coverage was \$614,871.

NOTE 9 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 10 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

**NOTE 11 – COVID-19 PANDEMIC**

The World Health Organization (“WHO”) declared the coronavirus (COVID-19), a global pandemic and public health emergency. At this point, the School cannot reasonably estimate the extent to which this disruption may continue to impact the School’s financial statements and future results of operations.



REQUIRED SUPPLEMENTAL INFORMATION

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET  
AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,371,983	\$ 1,371,983	\$ 1,375,787
Charges for services	74,813	74,813	39,321
Grants, fundraising and other income	10,300	10,300	20,081
<b>TOTAL REVENUES</b>	<b>1,457,096</b>	<b>1,457,096</b>	<b>1,435,189</b>
<b>EXPENDITURES</b>			
Instruction	489,454	489,454	480,671
Board	1,558	1,558	1,067
General administration	-	-	65,584
School administration	163,304	163,304	178,537
Fiscal services	92,143	92,143	27,963
Food services	-	-	7,923
Operation of plant	77,357	77,357	8,415
Administrative technical services	14,880	14,880	16,542
Community services	49,450	49,450	28,860
Other capital outlay	-	-	44,355
Debt service	6,364	6,364	57,790
<b>TOTAL EXPENDITURES</b>	<b>894,510</b>	<b>894,510</b>	<b>917,707</b>
 Change in fund balance	 \$ 562,586	 \$ 562,586	 \$ 517,482

See accompanying note to the required supplemental information.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal grants	\$ 47,369	\$ 47,369	\$ 284,332
Charges for services	-	-	20,274
Grants, fundraising and other income	187,500	187,500	191,025
<b>TOTAL REVENUES</b>	<b>234,869</b>	<b>234,869</b>	<b>495,631</b>
<b>EXPENDITURES</b>			
Instruction	96,988	96,988	411,910
School administration	-	-	-
Food services	19,217	19,217	25,869
Operation of plant	118,664	118,664	177,165
<b>TOTAL EXPENDITURES</b>	<b>234,869</b>	<b>234,869</b>	<b>614,944</b>
Change in fund balance			(119,313)
Other financing sources	-	-	127,342
Net change in fund balance	\$ -	\$ -	\$ 8,029

See accompanying note to the required supplemental information.

**TRUE NORTH CLASSICAL ACADEMY SOUTH  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2021, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general, capital project, and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



INDEPENDENT AUDITOR’S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Board of Directors of  
True North Classical Academy South  
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of True North Classical Academy South (the “School”), as of and for the year ended June 30, 2021 , and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 15, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Veedy-DeArman Turville".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2021



## MANAGEMENT LETTER

Board of Directors of  
True North Classical Academy South  
Miami, Florida

### Report on the Financial Statements

We have audited the financial statements of True North Classical Academy South (the “School”), a non-major component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 15, 2021.

### Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 15, 2021, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code of the entity is True North Classical Academy South, 131002.

## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2021 is not deteriorating.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Transparency**

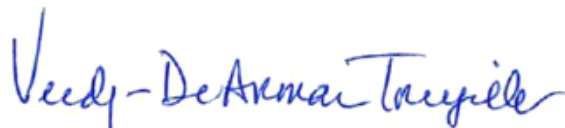
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and True North Classical Academy, Inc. and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2021